

## Message Text

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46

ACTION NEA-16

INFO OCT-01 ISO-00 AID-20 CIAE-00 COME-00 EB-11 FRB-03

INR-11 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 SP-03

CIEP-03 LAB-06 SIL-01 OMB-01 NSC-07 SS-20 STR-08

CEA-02 FEAE-00 INT-08 FPC-01 AGR-20 SWF-02 SCI-06

NASA-04 EUR-25 ACDA-19 L-03 H-03 DODE-00 PA-04

USIA-15 PRS-01 PM-07 MC-02 SAM-01 SAB-01 DRC-01 /256 W

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R 241225Z SEP 74

FM AMEMBASSY DAMASCUS

TO SECSTATE WASHDC 1521

INFO AMEMBASSY ABU DHABI

AMEMBASSY BEIRUT

C O N F I D E N T I A L DAMASCUS 2063

E.O. 11652: GDS

TAGS: EAID, SY

SUBJ: SYRIAN REQUEST FOR ECONOMIC AND TECHNICAL ASSISTANCE

REF: A. DAMASCUS 2005; B. DAMASCUS 1919

1. SUMMARY: SYRIAN MINISTERS DEALING WITH ECONOMY BEGIN TO FLESH-OUT IDEAS AND AREAS FOR POSSIBLE ECONOMIC/TECHNICAL ASSISTANCE FROM USG: OIL/GAS EXPLORATION, PETROCHEMICALS, IRON/STEEL MILL, AGRICULTURE/TECHNICAL TRAINING INSTITUTE, SATELLITE COMMUNICATIONS STATION, MINERAL RESOURCES SURVEY, SUGAR MILL, COMPUTERS, AND AGRICULTURAL COMMODITIES. RECOMMEND THESE TOPICS BE FACTORED INTO STATE/AID PREPARATIONS FOR GENERAL ECONOMIC DISCUSSIONS WITH SARG DELEGATION TO IMF, IBRD MEETINGS SEPT 30 TO OCT 4. END SUMMARY:

2. AMBASSADOR, DCM, AND ECONOFF CALLED SEPT 23 ON DEPUTY PM (ECONOMIC AFFAIRS) MOHAMAD HEIDER, FINANCE MINISTER MOHAMAD  
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AL-SHARIF, AND MINISTER OF ECONOMY MOHAMAD IMADI (SEPTTEL ON

GENERAL DISCUSSION). EACH ONE HAD SPECIFIC COMMENTS, FLESHING OUT EARLIER DISCUSSIONS ON POSSIBLE USG ECONOMIC AND TECHNICAL ASSISTANCE BETWEEN AMBASSADOR AND FONMIN KHADDAM (REFTELS). WE ARE LISTING BELOW SPECIFIC AREAS NOTED BY THESE MINISTERS AS THEY ARE ILLUSTRATIVE OF SYRIAN EXPECTATIONS, FOREKNOWLEDGE OF WHICH WILL BE USEFUL IN GENERAL DISCUSSIONS WITH SYRIANS DURING IMF/IBRD MEETINGS. FINMIN AL-SHARIF SAID HE ALSO MAY JOIN DELEGATIONS LISTED DAMASCUS 1923.

A. OIL/GAS EXPLORATION AND UTILIZATION; PETROCHEMICALS; DEP PRIMIN HEIDER STRESSED CONCERN OVER WASTE OF GAS PRESENTLY FLARED DURING CRUDE PRODUCTION; SAID SOVIETS AND RUMANIANS HAD STUDIED UTILIZATION, BUT NO CONCRETE RESULTS AS YET. HEIDER SAID SYRIA HAS 15 PROMISING AREAS FOR OIL EXPLORATION AND SARG IS WILLING TO CONSIDER ANY SERIOUS OFFER BY US OIL COMPANIES TO EXPLORE IN SYRIA (PRESUMABLY ON SERVICE CONTRACT BASIS WITH INITIAL EXPLORATION EXPENSES PUT UP BY FOREIGN PARTICIPANT). ECONMIN IMADI DEPLORED COST OF REFINERY HE SAYS RUMANIA HAS AGREED TO BUILD (\$297 MILLION FOR SIX MILLION TON REFINERY). HE BELIEVES US COMPANY TECHNOLOGY COULD DO BETTER JOB AT ONE-QUARTER LESS COST. HE, THEREFORE, HOPES FOR FUTURE US TECHNOLOGY IN PETROCHEMICAL AREA.

B. IRON/STEEL MILL: IMADI TOUCHED ON THIS SYRIAN NEED. (KNOWLEDGEABLE PRIVATE SYRIAN BUSINESSMAN SAYS START-UP WOULD BE BASED ON SCRAP, FUTURE PRODUCTION TO TAKE ADVANTAGE OF CLAIMED LARGE, ALTHOUGH LOW QUALIFY, SYRIAN ORE DEPOSITS.)

C. MINERAL RESOURCES: HEIDER SAID SOVIETS HAVE DONE GENERAL PRELIMINARY SURVEY, BUT SARG HOPES FOR MORE DETAILED SURVEY FROM US. IMADI ECHOED THIS THEME, NOTING HE HAD DISCUSSED IT WITH FONMIN KHADDAM. (COMMENT: WE BELIEVE MORE TECHNICAL MINISTRIES HAVE GROUND SURVEY IN MIND, I.E., USGS-TYPE SURVEY, IN ADDITION TO SATELLITE PHOTOGRAPHY MENTIONED BY KHADDAM.)

D. SATELLITE COMMUNICATIONS STATION: MENTIONED BY IMADI, IMPLYING HIS RECOGNITION OF ADVANCED US TECHNOLOGY  
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IN THIS FIELD.

E. SUGAR MILL: PROJECT MENTIONED BY IMADI.

F. COMPUTERS: FINMIN AL-SHARIF NOTED NEED OF HIS MINISTRY IN THIS AREA, INCLUDING PROGRAMMING AND EQUIPMENT. ONLY COMPUTERS CURRENTLY OPERATING IN COUNTRY ARE IN CENTRAL BUREAU OF STATISTICS (CBS) (BASED ON NATIONAL CASH

REGISTER (BEIRUT) INSTALLATION, WHICH NOT WELL-DESIGNED  
ACCORDING TO VISITING UN PUBLIC ADMINISTRATION DIVISION  
INTER-REGIONAL ADVISOR THOMAS J. KING (US), AND PTT  
BILLING (WHICH RUNNING WELL, SAYS KING). CBS  
CURRENTLY LOOKING AT UPGRADED NCR, UNIVAC, AND FRENCH  
EQUIPMENT. COMMERCIAL BANK OF SYRIA DEPUTY GENMGR ZUHAIR  
DARWAZA HAS ALSO EXPRESSED TO ECONOFF KEEN INTEREST IN  
US BANKING COMPUTER TECHNOLOGY AND EQUIPMENT FOR  
HIS BANK (WHICH IS MONOPOLY STATE COMMERCIAL BANK IN SYRIA).

(COMMENT: TRAINING WITH IRS OR US BANKS MIGHT BE DISCUSSED.)

G. AGRICULTURAL/TECHNICAL TRAINING INSTITUTE:  
HEIDER NOTED PROBLEM OF KEEPING TRAINED SYRIANS IN COUNTRY  
GIVEN HIGHER PAY SCALES IN SURROUNDING COUNTRIES AND  
OPINED IT MIGHT WELL BE BETTER TO BRING AMERICAN TRAINING  
FOR AGRICULTURE AND TECHNICAL SKILLS TO SYRIA IN FORM OF  
TRAINING INSTITUTE RATHER THAN SEND MANY SYRIANS TO US.

H. AGRICULTURAL COMMODITIES: HEIDER SAID SARG DOING  
ITS BEST COME UP WITH FIGURES WE REQUESTED (PER STATE 202948)  
AND NOTED NEED FOR COMMODITY ASSISTANCE GIVEN NEAR TOTAL  
SYRIAN AGRICULTURAL DEPENDENCE ON RAINFALL WHICH CAN PRODUCE  
DRASTIC UPS AND DOWNS IN CROP PRODUCTION.

3. IN ADDITION ABOVE TOPICS, BELIEVE STATE/AID OFFICIALS  
SHOULD ATTEMPT OBTAIN GENERAL PICTURE OF SYRIAN ECONOMY  
FROM SYRIAN DELEGATION, WHETHER INFLATION THREAT  
NOTED BY LATE 73/EARLY 74 IBRD/IMB MISSIONS HAS BEEN CUR-  
TAILED, AND WHAT IS CURRENT AID PICTURE (PARTICULARLY FROM  
ARAB COUNTRIES, KUWAITI/ARAB/OAPEC FUNDS, AND IRAN, WHICH  
IMADI SAID, HAS PROMISED \$150 MILLION CREDIT).

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## Message Attributes

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**Channel Indicators:** n/a  
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**Subject:** SYRIAN REQUEST FOR ECONOMIC AND TECHNICAL ASSISTANCE  
**TAGS:** EAID, SY, (KHADDAM, ABD AL-HALIM)  
**To:** STATE  
**Type:** TE  
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